



February 12, 2010

Effective February 12, 2010, Iowa Vocational Rehabilitation Services (IVRS) will be placing all new applicants for services on a waiting list. This decision is based upon the reduction of state funds, and consequently, federal funding over the course of the last several months.

The Rehabilitation Act requires that the public vocational rehabilitation agency implement a prioritized waiting list as soon as it is determined that the agency cannot serve all clients, either due to financial constraints or volume of demand.

IVRS receives federal funding based upon a grant formula. In order to be able to draw down all the federal dollars, the state must match the federal funds available at a rate of approximately 21% state and 79% federal. In short, when IVRS loses \$21.00 in state funds, we also lose the \$79.00 in federal funds.

IVRS has lost over \$5,000,000 of revenue due to state appropriation cuts in the past twelve months. The following are the key factors that have impacted our ability to serve all clients:

		Difference	Matches	Total
2009 Initial Appropriation	\$5,833,133			
2009 Ending Appropriation	\$5,605,534	-\$227,599	-\$840,941	-\$1,068,540
2010 Initial Appropriation	\$5,301,786	-\$303,748	-\$1,122,299	-\$1,426,047
2010 Current Appropriation	\$4,734,290	-\$567,496	-\$2,096,804	-\$2,664,300
Total		-\$1,098,843	-\$4,060,044	-\$5,158,887

IVRS has been managing the impact of lost dollars in the following manner:

- In July 2009, IVRS stopped filling vacancies. This has resulted in 13 positions being left vacant.
- In July 2009, all non-essential travel, supplies and equipment purchases were suspended.

- In October of 2009, IVRS started placing all new referrals with the least significant disabilities on a waiting list.
- In November of 2009, IVRS started placing all new referrals with significant disabilities (SD) on a waiting list.

Even with these measures being implemented, IVRS must close the third waiting list; persons with the most significant disabilities (MSD).

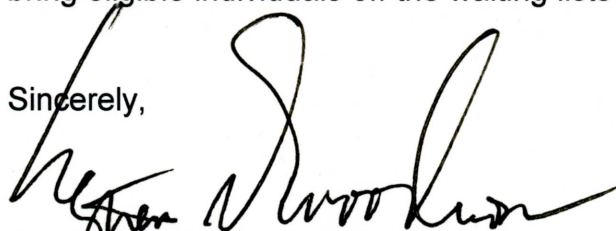
There are future considerations that also impact the decision to place all new applicants on a waiting list. Currently IVRS is serving 14,842 clients. 3,153 of those are in the process of eligibility determination and the development of an employment plan. Most expenditures start 18-24 months after an employment plan is written. Therefore, placing clients on waiting lists now is important for future budgetary considerations.

At the time resources allow IVRS to begin placing eligible clients into services, the priority of waiting lists will be followed. Those individuals with the most significant disabilities (MSD) will be served first. Once all MSD are placed into active services, persons with significant disabilities (SD) will be served. At the time all SD are served, IVRS will begin placing those with the least significant disabilities into services.

On the positive side, IVRS received stimulus money from The American Recovery and Reinvestment Act of 2009 (ARRA). Those dollars permitted IVRS to serve 2,675 clients in the first year. Additionally, IVRS was able to manage staff reductions through attrition; avoiding lay off of approximately 25 staff. The ARRA monies offset a portion of the lost appropriations. Without ARRA dollars the waiting list and staff reductions would have occurred several months ago.

IVRS will be vigilant in managing the funds available to maximize services to lowans with disabilities seeking employment. We will continue to serve those individuals currently on our active caseload and assess each month our ability to bring eligible individuals off the waiting lists and into active services.

Sincerely,



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